Ooi Siew Bee (trading under the name and style Sykt Perniagaan Eng Leong) & Ors v Zhu Ge Kong Ming Sdn Bhd

COURT OF APPEAL (PUTRAJAYA) — CIVIL APPEAL NO W-02(IPCV)(W)-1598–08 OF 2016
BADARIAH SAHAMID, HANIPAH FARIKULLAH AND KAMALUDIN MD SAID JJCA
26 FEBRUARY 2020

Civil Procedure — Judgment — Res judicata — Appellants appeal against judgment of High Court — Whether findings of court in previous proceedings caught by doctrine of res judicata — Whether appeal ought to be allowed

Trade Marks — Registered trademark — Expungement — Application for — Whether third plaintiff was aggrieved person — Trade Marks Act 1976 s 45

This was an appeal against the judgment of the High Court which had dismissed the appellants' ('plaintiff') application under s 45 of the Trade Marks Act 1976 ('TMA') to expunge the respondent's ('defendant') trademarks. The first plaintiff was a sole proprietor who sold, among others, Chinese prayer papers and prayer paper boxes ('Chinese prayer materials'). The second plaintiff company was in the business of importing and dealing with Chinese prayer materials and the third plaintiff was the chairman of a society ie the Association of Manufacturers and Retailers of Chinese Prayer Goods in Penang ('Chinese prayer materials society'). The defendant was a Malaysian company with its business in manufacturing, wholesaling and retailing Chinese prayer materials, including praying papers bearing the defendant's registered trademarks. The defendant was also the current registered proprietor of the defendant's registered trademarks since 2005 and 2006 and the defendant's registered trademarks were still valid and subsisting until to date. Prior to this suit by the plaintiffs, the defendant had commenced an action at the High Court at Alor Setar against the second plaintiff ('the previous proceedings') for: (a) an action for trademark infringement of the defendant's registered trademarks; and (b) an action for passing off of the defendant's Chinese prayer papers/prayer boxes consisting of the Chinese words 'Huan Zhai Jin' and the 'get ups'. The High Court dismissed the defendant's claim. The defendant appealed but it was dismissed whereby this court was of the view that there were no trademark infringements as the words and/or phrase 'Huan Zhai Jin' was not exclusive to the defendant. In this suit, the plaintiff contended that the defendant's registered trademarks was registered in contravention of ss 14, 10(1), (c), (d), (e) of the TMA and therefore should be revoked pursuant to s 45(1) of the TMA. It was the defendant's case that the trademarks were

created by SD4, was a newly coined word and not available in any Chinese dictionary and as such, was not a common word. The High Court dismissed the plaintiffs' claim and hence this appeal. The issues for consideration were: (i) whether the third plaintiff was an aggrieved person; and (ii) whether the findings of this court in the previous proceedings was caught by the doctrine of res judicata.

Held, dismissing the third plaintiff's appeal; allowing the first and second plaintiffs' appeal:

(1) The third plaintiff's argument that he was an aggrieved person was contrary to authorities. The third plaintiff did not undertake any trading activities as the third plaintiff being a society formed under the Society Act 1966 was not involved in trading in prayer materials and would not suffer any loss due to the outcome of this expungement suit. The learned judicial commissioner had correctly applied the law to the facts when he made a finding that the third plaintiff was not a person who had used this mark as a trademark in the cause of trade and therefore was not an aggrieved person within the meaning of s 45(1)(a) of the TMA (see paras 33 & 36–37).

(2) This court in the previous proceedings had considered the issue of whether the three Chinese characters 'Huan Zhan Jin' was an invalid common descriptive word and it was not an inventive word as contended by the defendant. It was plainly wrong for the learned judicial commissioner to decide on this issue when he acknowledged that the Court of Appeal in the previous proceedings had dismissed the defendant's claim for infringement of the defendant's registered trademarks. This was a proper case for appellate intervention and since the three Chinese characters 'Huan Zhan Jin' were common generic descriptive words and therefore the defendant could not had monopoly over the use of the words and the defendant could not register the same as a trademark and the appeal must be allowed so that the defendant's registered trademark could be rectified and expunged (see paras 53–55).

[Bahasa Malaysia summary

Ini adalah rayuan terhadap keputusan Mahkamah Tinggi yang telah menolak permohonan perayu ('plaintif') berdasarkan s 45 Akta Cap Dagangan 1976 ('ACD') untuk memadamkan cap dagangan responden ('defendan'). Plaintif pertama adalah pemilik tunggal yang menjual, antara lain, kertas sembahyang Cina dan kotak kertas sembahyang ('barang sembahyang Cina'). Syarikat plaintif kedua menjalankan perniagaan mengimport dan berurusan dengan barang sembahyang Cina dan plaintif ketiga adalah ketua sebuah pertubuhan iaitu Persatuan Pembuat dan Peniaga Barang Sembahyang Cina di Pulau Pinang ('persatuan barang sembahyang Cina'). Defendan adalah syarikat Malaysia yang menjalankan perniagaannya dalam pembuatan, pemborong dan

perniagaan barang sembahyang Cina, termasuk kertas. Defendan adalah syarikat Malaysia yang menjalankan perniagaannya dalam pembuatan, pemborong dan peruncitan bahan-bahan doa orang Cina, termasuk kertas doa yang mempunyai cap dagangan berdaftar. Defendan juga merupakan pemilik cap dagangan berdaftar sejak tahun 2005 dan 2006 dan cap dagangan berdaftar masih sah dan masih ada sehingga kini. Sebelum tuntutan ini oleh plaintif, defendan telah memulai tindakan di Mahkamah Tinggi di Alor Setar terhadap plaintif kedua ('prosiding sebelumnya') untuk: (a) tindakan atas pelanggaran cap dagangan berdaftar defendan; dan (b) tindakan untuk kelirupaan kertas sembahyang/sembahyang Cina yang terdiri daripada perkataan Cina 'Huan Zhai Jin' dan 'get ups' yang mempunyai cap dagangan berdaftar. Mahkamah Tinggi menolak tuntutan defendan. Defendan mengemukakan rayuan tetapi ditolak kerana mahkamah ini berpendapat bahawa tidak ada pelanggaran cap dagangan kerana perkataan dan/atau frasa 'Huan Zhai Jin' tidak eksklusif untuk defendan. Dalam guaman ini, plaintif berpendapat bahawa cap dagangan berdaftar defendan didaftarkan dengan pelanggaran ss 14, 10(1)(c), (d), (e) ACD dan oleh itu harus dipadam menurut s 45(1) ACD. Adalah kes defendan bahawa cap dagangan dibuat oleh SD4, adalah perkataan yang baru dicipta dan tidak terdapat dalam kamus bahasa Cina dan dengan itu, ia bukan perkataan umum. Mahkamah Tinggi menolak tuntutan plaintif dan oleh itu rayuan ini. Isu-isu untuk pertimbangan adalah: (i) sama ada plaintif ketiga adalah orang terkilan; dan (ii) sama ada penemuan mahkamah ini dalam prosiding sebelumnya tertangkap oleh doktrin res judicata.

Diputuskan, menolak rayuan plaintif ketiga; membenarkan rayuan plaintif pertama dan kedua:

(1) Hujahan plaintif ketiga bahawa dia adalah orang terkilan bertentangan dengan autoriti. Plaintif ketiga tidak menjalankan aktiviti perdagangan kerana plaintif ketiga yang merupakan sebuah pertubuhan yang dibentuk di bawah Akta Pertubuhan 1966 tidak terlibat dalam perdagangan barang sembahyang dan tidak akan mengalami kerugian akibat dari tuntutan saman ini. Pesuruhjaya kehakiman yang bijaksana telah menerapkan undang-undang dengan betul pada fakta ketika dia membuat keputusan bahawa plaintif ketiga bukan orang yang telah menggunakan tanda ini sebagai tanda dagang untuk tujuan perdagangan dan oleh itu bukan orang terkilan dalam erti s 45(1)(a) ACD (lihat perenggan 33 & 36–37).

(2) Mahkamah ini dalam prosiding sebelumnya telah mempertimbangkan isu sama ada tiga aksara Cina 'Huan Zhan Jin' adalah perkataan deskriptif umum yang tidak sah dan ia bukan kata inventif seperti yang dibahaskan oleh defendan. Adalah jelas salah bagi pesuruhjaya kehakiman yang bijaksana untuk memutuskan isu ini ketika beliau mengakui bahawa Mahkamah Rayuan dalam prosiding sebelumnya telah menolak tuntutan defendan atas pelanggaran cap dagangan berdaftar defendan.

Ini adalah kes yang tepat untuk campur tangan rayuan dan oleh kerana tiga aksara Cina 'Huan Zhan Jin' adalah perkataan deskriptif generik yang umum dan oleh itu defendan tidak dapat memonopoli penggunaan perkataan itu dan defendan tidak dapat mendaftarkannya sebagai cap dagangan dan rayuan harus dibenarkan sehingga cap dagangan defendan dapat dibetulkan dan dipadam (lihat perenggan 53–55).]

Cases referred to

Arnold D Palmer In The Matter if Trade Mark Registration No 63249, Re [1987] 2 MLJ 681 (refd)
Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd [1995] 3 MLJ 189, FC (refd)
Health World Ltd v Shin-Sun Australia Pty Ltd [2010] HCA 13, HC (refd)
Kerajaan Malaysia v Mat Suhaimi bin Shafiei (2018) 2 MLJ 133, FC (refd)
McLaren International Ltd v Lim Yat Meen [2009] 5 MLJ 741; [2009] 4 CLJ 749, FC (refd)
Mesuma Sports Sdn Bhd v Majlis Sukan Negara [2015] 2 MLJ 465, FC (refd)
Syarikat Sebati Sdn Bhd v Pengarah Jabatan Perhutanan & Anor [2019] 2 MLJ 689, FC (refd)
Tong Lee Hwa & Anor v Lee Yoke San [1979] 1 MLJ 24 (refd)

Legislation referred to

Societies Act 1966
Trade Marks Act 1976 (repealed by Trademarks Act 2019) ss 10, 10(1), (1)(c), (1)(d), (1)(e), 14, 14(1)(b), 35, 36, 37, 37(b), (c), 45, 45(1), 45(1)(a)

Appeal from: Civil Suit No 22IP-2–02 of 2015 (High Court, Kuala Lumpur)

MM Athimulan (Krishna Kumari, V Amareson and A Tinoshiny with him) (Krishna & Co) for the appellant.
Chew Kherk Ying (Mohd Ariff Emran b Arifin and Chong Tze Lin with him) (Wong & Partners) for the respondent.

Hanipah Farikullah JCA:

INTRODUCTION

[1] This is an appeal against the judgment of the learned High Court judge dated 5 August 2016 which had dismissed the plaintiffs' application under s 45 of the Trade Marks Act 1976 ('the TMA') to expunge the defendant's trademarks. Particulars of registration of the subject marks are as follows:

No	Trade Mark	Registration Number	Date of Registration
1		05020770	9 December 2005
2		05020769	9 December 2005
3	還債金	06010249	14 June 2006

(registered trademarks)

[2] The plaintiff contended that the defendant's registered trademarks was registered in contravention of ss 10(1)(c), (1)(d), (1)(e) and 14 of the TMA and therefore should be revoked pursuant to s 45(1). In essence, the plaintiff contended that the defendant's registered trademarks are not invented or coined words but common generic words and common descriptive terms which are 'common property' to all Chinese traders and not distinctive nor exclusive to the defendant alone, in the same course of trade or business.

[3] It is the defendant's case that the above said trade marks, that is, the three Chinese characters 'Huan Zhai Jin' (還債金) were created by SD4, is a newly coined word and not available in any Chinese dictionary and as such, is not a common word.

[4] For convenience, we will refer to the appellants as the plaintiffs and the respondent as the defendant.

THE PARTIES

[5] The plaintiffs are as follows:

(a) the first plaintiff ('first plaintiff') is a sole proprietor who sells, among others, Chinese prayer papers and prayer paper boxes ('Chinese prayer materials');

(b) the second plaintiff company ('second plaintiff') is in the business of importing and dealing with Chinese prayer materials; and

(c) the third plaintiff ('third plaintiff)' is the chairman of a society, 'The Association of Manufacturers and Retailers of Chinese Prayer Goods in Penang' (Chinese Prayer Materials Society) registered under the Societies Act 1966 ('the SA'). The members of the Chinese Prayer Materials Society are in the business of imports, sales and manufacture of Chinese prayer materials.

[6] The defendant is a Malaysian company with its business in manufacturing, wholesaling and retailing Chinese prayer materials, including praying papers bearing the respondent's registered trademarks. The defendant is also the current registered proprietor of the defendant's registered trademarks since 2005 and 2006 and the defendant's registered trademarks are still valid and subsisting until to date.

DECISION OF THE HIGH COURT

[7] The primary question before the trial court was whether the defendant's registered trademarks was liable to be expunged as a mark wrongfully remaining in the registrar within s 45(1) of the TMA because of the defendant's registered trademarks are not registrable under ss 10(1)(c), (1)(d), (1)(e) and 14 of the TMA.

[8] Before the learned judicial commissioner, the plaintiffs' claim that the features/symbols found in the Chinese prayer papers used for burning/prayer boxes and the Chinese character/word 'Huan Zhai Jin' (還債金) which was translated means 'repay debts gold or money' are not invented or coined words but common generic words and common descriptive terms which are 'common property' to all Chinese traders and not distinctive nor exclusive to the defendant alone, in the same course of trade or business.

[9] The plaintiffs claim that the custom or rituals of burning the Chinese prayer papers for repaying debts 'Huan Zhai Jin' (還債金) were long in existence since the Tang Dynasty and the burning of the Chinese prayer papers is a religious belief and part of the customs and rituals of the Chinese community.

[10] In this case, the three plaintiffs applied to expunge the defendant's registered trademarks and seek for the following order:

(a) for an order pursuant to s 45 of the TMA that the register be rectified by expunging the entry of the mark as an entry wrongly made in the Register;

(b) an order pursuant to s 37 of the TMA that the register be rectified by expunging the entry of the mark as an entry wrongfully remaining in the register; and

(c) an order pursuant to s 10(1) of the TMA that the mark be removed from the Register in respect of all the goods in respect of which it was registered.

[11] The plaintiffs also claim that they are persons aggrieved as a result of the defendant's registered trademarks.

[12] The learned High Court judge dismissed the plaintiffs' claim in this case based on the following grounds:

(a) the second plaintiff, Chinese Prayer Materials Society, is not an aggrieved person under s 45(1)(a) of the TMA;

(b) SD4 and not the plaintiff was the first user of the trade mark 'Huan Zhai Jin' (還債金) in 1998;

(c) based on the wording of s 37 of the TMA, as the defendant's registered trademarks have been registered for more than seven years, s 37 applies and as such, the plaintiffs cannot expunge a registered trademark on grounds outside of s 37 of the TMA; and

(d) the plaintiff failed to adduce evidence to prove grounds for expungement under s 37(b) and (c) of the TMA.

[13] Before considering the issues that we have to determine, it is necessary to describe in more detail the facts including the trademark infringement proceeding by the defendant in this case against the plaintiff and the decision of this court (the previous proceedings).

PREVIOUS PROCEEDINGS

[14] Before us, one of the plaintiffs ground to expunge the defendant's trade mark registration arises out of the fact that this court in Civil Appeal No K-02–2643–11 of 2012 had made a decision that the Chinese characters 'Huan Zhai Jin' (還債金) are common descriptive words in the Chinese language and not invented words in Chinese language usage. Prior to the institution of this present suit by the plaintiffs, the defendant had commenced an action at the High Court at Alor Setar ('the High Court Suit') against the second plaintiff in this instant case for the following relief:

(a) an action for trademark infringement of the defendant's registered trademarks; and

(b) an action for passing off of the defendant's Chinese prayer papers/prayer boxes consisting of the Chinese words 'Huan Zhai Jin' and the 'get ups'.

[15] At the conclusion of the trial, the High Court dismissed the defendant's claim on the basis that the Chinese characters '還債金' (Huan Zhai Jin) on the prayer papers for burning are common words in the Mandarin language and the plaintiff has no exclusive rights over the words. The defendant appealed to this court against the decision of the High Court whereby the said appeal was also dismissed.

[16] Subsequently, the defendant filed a motion for leave to the Federal Court. The Federal Court on 3 July 2017 dismissed the defendant's leave application.

[17] This court in the previous proceedings, inter alia, was of the view that there were no trademark infringements as the words and/or phrase, 'Huan Zhai Jin' (還債金) the combination of colours and the usage of Taoist symbolism and imagery used by the defendant was not exclusive to the defendant in the previous proceedings (defendant in this case) based on the following reasons:

(a) from the series of cross-examination of SP1 and SP7, there were similarities between the plaintiff's paper box and the defendant's paper box. However, the similarities were largely due to the fact that they were both in respect of a product originating from the teachings and beliefs of Taoism. The combination of the *words was neither unique nor exclusive to the plaintiff as it was clear from the testimony of the plaintiff's own witness (SP1) that it is a common word/phrase used in relation to the burning of the prayer papers*;

(b) in addition to that, the combination of colours used by the plaintiff's paper box as compared to the defendant's box was the common combination of colours used in this line of business. The colours red and yellow used are so common in the Chinese/Taoist community in relation to their religious-based products and to grant such exclusivity to the usage of these colours for the plaintiff's paper box would be most unreasonable; and

(c) further, the symbolism and the imagery in the form of the '4 dewa', '8 sei (pak kua)', and the words 'Tung Nan See Pei' used by the defendant in its paper box that was alleged to be a copy of the symbolism and imagery of the plaintiff's paper box were in fact symbolism and imagery in the Taoist beliefs and commonly used for such paper burning ritual.

DECISION

[18] It was submitted for the plaintiff that the learned judicial commissioner of the High Court had erred in law and fact when he totally rejected the contention of the plaintiffs' that the Chinese characters 'Huan Zhai Jin' (還債金) are common descriptive words in the Chinese language and not invented words in Chinese language usage. Thus it was submitted for the plaintiff that the defendant's trade marks are not registrable according to ss 10(1)(c), (1)(d), (1)(e) and 14(1)(b) of the TMA.

[19] Further, learned counsel for the plaintiff contended that the decision of the High Court had been affirmed by the Court of Appeal and is final and res judicata applies when the Federal Court refused leave for the first respondent to appeal to the Federal Court against the Court of Appeal's decision in particular the findings that the three Chinese characters '還債金' (Huan Zhai Jin) are common descriptive words.

[20] In response, learned counsel for the defendant in gist submitted as follows:

(a) the third plaintiff as an Association of Manufacturers and Retailers of Chinese Prayer Materials being a registered society 'are not aggrieved' by the defendant's registered trademarks and do not have the 'locus standi' so as to entitle them to apply to the court to expunge the registration of the defendant's trademarks from the register pursuant to of the TMA;

(b) the learned judicial commissioner made a finding of fact that SD4 was the first user of the defendant's registered trademarks in December 1997; and

(c) a the respondent's registered trademarks have been registered for more than seven years, s 37 of the TMA applies and as such, the grounds of expungement are confined to grounds set out in s 37 of the TMA.

THE ISSUES ON APPEAL

[21] Before us, the central questions are as follows: (a) Whether the third plaintiff is an aggrieved reason. There is no dispute that the first and the second plaintiffs are 'aggrieved persons'; and (b) whether the findings of this court in the previous proceedings that the Chinese words 'Huan Zhai Jin' (還債金) is a common word used in relation to the burning of prayer papers was caught by the doctrine of res judicata.

THE LEGISLATIVE PROVISIONS

[22] Since the plaintiffs challenged the order made by the learned judicial commissioner not to expunge the defendant's registered trademarks, it is convenient to set out the relevant legislative provisions.

[23] Section 10 provides as follows:

> 10 Registrable trade marks
>
> (1) In order for a trade mark (other than a certification trade mark) to be registrable, it shall contain or consist of at least one of the following particulars:
>
> ...
>
> (c) an invented word or words;
>
> (d) a word having no direct reference to the character or quality of the goods or services not being, according to its ordinary meaning, a geographical name or surname; or
>
> (e) any other distinctive mark.
>
> (2) A name, signature or word which is not described in paragraph (1)(a), (b), (c) or (d) is not registrable unless it is by evidence shown to be distinctive.
>
> ...
>
> 14 Prohibition on registration
>
> (1) A mark or part of a mark shall not be registered as a trade mark-
>
> (a) if the use of which is likely to deceive or cause confusion to the public or would be contrary to law;
>
> ...

[24] After registration, s 45(1) of the TMA allows a person to apply for a declaration that the trade mark is invalid, such an application is to be made to the court. Section 45(1) of the TMA provides as follows:

> (1) Subject to the provisions of this Act —
>
> (a) the Court may on the application in the prescribed manner of any person aggrieved by the non-insertion in or omission from the Register of any entry or by any entry made in the Register without sufficient cause or by any entry wrongfully remaining in the Register, or by any error or defect in any entry in the Register, make such order for making, expunging or varying such entry as it thinks fit;
>
> (b) the Court may in any proceeding under this section decide any question that may be necessary or expedient to decide in connection with the rectification of the Register;

A (c) in case of fraud in the registration, assignment or transmission of a registered trademark or if in his opinion it is in the public interest to do so, the Registrar may himself apply to the Court under this section; and

(d) an order of the Court rectifying the Register shall direct that notice of the rectification be served on the Registrar in the prescribed manner and the B Registrar shall upon receipt of the notice rectify the Register accordingly.

[25] Until registered the use of a trade mark does not confer any particular rights, though it may provide the basis for a passing off claim. Once registered, C it is an asset of the proprietor. The effect of registration can be seen from ss 35, 36 and 37:

Section 35. Rights given by registration

(1) Subject to the provisions of this Act, the registration of a person as registered D proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall, if valid, give or be deemed to have been given to that person the exclusive right to the use of the trade mark in relation to those goods or services subject to any conditions, amendments, modifications or limitations entered in the Register.

E (2) Where two or more persons are proprietors of registered trademarks which are identical or nearly resembling each other rights of exclusive use of either of those trade marks are not (except so far as their respective rights have been defined by the Registrar or the Court) acquired by any one of those persons as against any other of those persons by registration of the trade mark but each of those persons have the F same rights as against other persons (not being registered users) as he would if he were the sole registered proprietor.

Section 36. Registration prima facie evidence of validity in all legal proceedings relating to a registered trademark (including applications under section 45) the fact that a person is registered as proprietor of the trade mark shall be prima facie G evidence of the validity of the original registration of the trade mark and of all subsequent assignments and transmissions thereof.

Section 37. Registration conclusive in all legal proceedings relating to a trade mark registered in the Register (including applications under section 45) the original registration of the trade mark under this Act shall, after the expiration of seven years H from the date thereof, be taken to be valid in all respects unless it is shown —

(a) that the original registration was obtained by fraud;

(b) that the trade mark offends against section 14; or

I (c) that the trade mark was not, at the commencement of the proceedings, distinctive of the goods or services of the registered proprietor

except that this section shall not apply to a trade mark registered under the repealed Ordinances and incorporated in the Register pursuant to subsection 6(3) until after the expiration of three years from the commencement of this Act.

[26] If we may add, in *Health World Ltd v Shin-Sun Australia Pty Ltd* [2010] HCA 13 at paras 22–26, French CJ, Heydon and Bell JJ explained the theory of this legislative scheme:

> ... [T]he legislative scheme reveals a concern with the condition of the Register of Trade Marks. It is a concern that it has 'integrity' and that it be 'pure'. It is a 'public mischief' if the Register is not pure, for there is 'public interest in [its] purity'. The concern and the public interest, viewed from the angle of consumers, is to ensure that the Register is maintained as an accurate record of marks which perform their statutory function-to indicate the trade origins of the goods to which it is intended that they be applied.
>
> This concern and this interest are reflected in the following scheme. If an application is made to have a mark registered which does not meet the criteria for registration, there are two opportunities for registration to be prevented. And if a mark has been registered which does not meet the criteria for remaining on the Register, a further opportunity exists to have the Registrar adjust it.
>
> The first opportunity arises when an application is lodged. Section 31 of the Act creates a duty on the Registrar to examine and report on whether the application has been made in accordance with the Act, and whether there are grounds under Pt 4 Div 2 for rejecting it. The Registrar must accept the application unless satisfied that the application has not been made in accordance with the Act, or there are grounds for rejecting it (s 33).
>
> Even if the application is accepted, a second opportunity arises. Section 34 creates a duty of the Registrar to advertise the decision to accept the application in the Official Journal of Trade Marks. This enables those who wish to oppose the registration to do so pursuant to section 52 of the Act. Section 52 has no standing requirement. If opposition proceedings are not brought, or if they fail, the trade mark is registered (s 68).
>
> However, a third opportunity to ensure the purity of the Register arises, for recourse can be had to s 88 or s 92. Those sections require applicants under them to 'aggrieved'. It is not the case that any applicant who wants the Register rectified or a mark removes is 'aggrieved' merely by reason of that desire: the word has a filtering function. But against that legislative background, it is not clear why the word should be construed restrictively rather than liberally.

AGGRIEVED PERSON

[27] The first question which arises in this appeal is whether the third plaintiff is an aggrieved person within the meaning of s 45(1)(a) of the TMA to apply for expungement of the defendant registered trademarks. The plaintiffs contended that the learned judicial commissioner had erred in law and fact when he decided that the third plaintiff did not have locus standi to sue on the basis that the society is not an aggrieved person.

[28] The third plaintiff claims to be a person aggrieved by the circumstances

that the defendant registered trademarks wrongfully remain in the register. However, the defendant disputes that the third plaintiff is to be regarded as an 'aggrieved person'. As we have said earlier, there are no disputes in this appeal that the first and the second plaintiffs are 'aggrieved persons' within the meaning of s 45(1) of the TMA.

[29] Learned counsel for the plaintiffs submitted that from the evidence, it has been established that the third plaintiff a society, are importing and selling Chinese prayers paper 'Huan Zhai Jin' (還債金). In support of its submission, learned counsel relied strongly on the Federal Court's decision in *Mesuma Sports Sdn Bhd v Majlis Sukan Negara* [2015] 2 MLJ 465 where it was held at p 340 para 28:

> [28] A person aggrieved is a person who has used his mark as a trade mark or who has a genuine and present intention to use his mark as trade mark in the course of a trade which is the same as or similar to the registered trademark that the person wants to be removed from the register. The person must be someone who has some element of legal interest, right or legitimate expectation in its own mark which is being substantially affected by the presence of the registered trademark. The interest and right must be legal or lawful.

[30] The learned judicial commissioner dismissed the third plaintiff's claim on the ground that the third plaintiff has not used the mark in the course of trade.

[31] The learned judicial commissioner held that the third plaintiff is not an 'aggrieved person' within the meaning of s 45(1) of the TMA, relying on the Federal Court case of *McLaren International Ltd v Lim Yat Meen* [2009] 5 MLJ 741; [2009] 4 CLJ 749 which held that:

> a person aggrieved is a person who has used his mark as a trade mark-or who has a genuine and present intention to use his mark as a trade mark-in the course of a trade which is the same or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.

[32] A number of matters should be noted about the evidence as found by the learned judicial commissioner in para 49 of his judgment:

> (i) the plaintiffs have not adduced any evidence that the Chinese Prayer Material Society has imported and sold prayer materials bearing the first defendant's registered trademarks. In fact, SP5 testified during cross-examination that the Chinese Prayers Materials Society is not involved in trading in prayer materials and will not suffer any loss due to the outcome of this Expungement Suit. As such, the Chinese Prayer Material Society is not a 'person who has used his mark as a trade mark ... in the course of a trade' within the meaning of the first limb of 'person aggrieved' as explained in *McLaren International*;

(ii) there is no evidence that the Chinese Prayer Materials Society has genuine and present intention to use the defendant's registered trademarks in the course of trade. Accordingly, the Chinese Prayer Materials Society does not fall within the meaning of the second limb of 'person aggrieved' as decided in *McLaren International*.

[33] It should also be added that the third plaintiff's argument that he is an aggrieved person is also contrary to authorities.

[34] Referring to *Re Arnold D Palmer In The Matter if Trade Mark Registration No 63249* [1987] 2 MLJ 681, the Federal Court in *McLaren International Ltd v Lim Yat Meen* [2009] 5 MLJ 741; [2009] 4 CLJ 749 said:

> [21] *Re Arnold D Palmer* is an authority (out of several) that is heavily relied on by the respondent to deny that the appellants are a person aggrieved. In that case, the applicant sought the removal from the register of a trademark on the ground of non-user. On whether the applicant was a person aggrieved, Chan Sek Keong JC, after considering the speeches of Lord Herschell and Lord Watson in the House of Lords in *Powell's Trade Mark* (1894) 11 RPC 4; [1984] AC 8, and the manner in which subsequent judges reacted to the opinions of the said Law Lords in *Lever Bros, Port Sunlight Ltd v Sunniwite Products Ltd* (1949) 66 RPC 84, *Consort' Trade Mark* [1980] RPC 160, and *Wells Fargo Trade Mark* [1977] RPC 503, concluded as follows:
>
> > On the basis of these decisions, it is plain that the applicant will fail in this appeal unless he can show that he has used his trade mark in the course of a trade which is the same as or similar to that of the respondents or that he has a genuine and present intention to use the mark as a trademark. But the evidence shows none of these things, as the Registrar has found ...
>
> [22] We understand that passage as laying down the principle that a person aggrieved is a person who has used his mark as a trademark — or who has a genuine and present intention to use his mark as a trademark — in the course of a trade which is the same as or similar to the trade of the owner of the registered trademark that the person wants to have removed from the register.

[35] The test in *McLaren International* was followed by *Mesuma Sports Sdn Bhd* where the Federal Court had considered the meaning of 'aggrieved person' under s 45(1)(a) of the TMA. It may be helpful to bear in mind the facts in *Mesuma Sports*. There, the appellant was requested by the respondent to produce and supply sports clothing bearing the tiger stripes design. Some three years later, the appellant, claiming itself to be the first user of the design as a trademark in the course of trade, filed for registration of the design under the TMA while it was still a supplier of sports goods to the respondent. The respondent filed a suit against the appellant claiming that it was the lawful owner of the design and trademark and that the defendant had no such valid claim to registration of the tiger stripes based on the plaintiff's ownership and

use, and who initiated the rectification action to remove or expunge the same and that the appellant had, inter alia, passed-off the respondent's design. The Federal Court held that the registration was an entry wrongly remaining in the register and ordered its removal.

[36] In this present case, it must be emphasised that SP5 had agreed during cross examination that the third plaintiff did not undertake any trading activities as the third plaintiff being a society formed under the Society Act 1966 was not involved in trading in prayer materials and will not suffer any loss due to the outcome of this expungement suit. The evidence was sufficiently clear to enable a finding of facts to be made whether the third plaintiff is a person who has used this mark as a trade mark in the course of a trade within the meaning of the first limb of an aggrieved person as stated in *McLaren International*.

[37] All these considerations combine, in our view, the learned judicial commissioner has correctly applied the law to the facts when he made a finding that the third plaintiff is not a person who has used this mark as a trade mark in the cause of trade and therefore is not an aggrieved person within the meaning of s 45(1)(a) of the TMA.

RES JUDICATA/ESTOPPEL

[38] On the facts of the present case, based on the decision of this court in the previous proceedings, it is important to consider whether the issue of res judicata applied.

[39] Learned counsel for the plaintiff submitted in his additional written submission that in view of the Court of Appeal decision in the previous proceedings that the three Chinese characters '還債金' (Huan Zhai Jin) are common descriptive words and not invented/coined words by defendant therefore the defendant cannot appropriate exclusively the words which are common to all and therefore, the defendant's registration as a trade mark ought to be removed since it is wrong in law to register and is contrary to s 10(1)(c), (1)(d) and (1)(e) of the TMA. In support of the plaintiffs' submission, the plaintiff relied strongly on the Federal Court decision in *Kerajaan Malaysia v Mat Suhaimi bin Shafiei* (2018) 2 MLJ 133 and *Syarikat Sebati Sdn Bhd v Pengarah Jabatan Perhutanan & Anor* [2019] 2 MLJ 689.

[40] This is in contrast with the position taken by the defendant. Learned counsel for the defendant submitted that the cause of action brought by the plaintiff in the expungement suit was for the expungement of the defendant's registered trademarks from the trade mark registry pursuant to s 45 of the TMA. Further, it was submitted for the defendant that as the defendant's registered trademarks have attained registration for more than seven years, the

plaintiffs could only expunge the defendant's registered trademarks pursuant to s 37 of the TMA, where the appellants must establish:

(a) the original registration was obtained by fraud;

(b) the trade marks offend against s 14; or

(c) the trade marks were not, at the commencement of the proceedings, distinctive of the goods or services of the registered proprietor.

[41] Learned counsel for the defendant emphasised that the issues and submissions by parties before the High Court in the expungement suit dealt with the issues pertaining to limbs 10(b) and (c) of the TMA. Therefore, it was argued that the causes of action in the prior suit and the expungement suit are premised on separate provisions in the TMA. The causes of action in both suits are completely different and therefore, there is no real issue of res judicata in the present proceedings.

[42] In support, he referred us to the following passage in the judgment of Chang Min Tat FJ in *Tong Lee Hwa & Anor v Lee Yoke San* [1979] 1 MLJ 24:

> At the hearing of the appeal, it was put to counsel for the appellants that to constitute a res judicata, the earlier judgment must, in terms of the Privy Council decision in *Kok Hoong v Leong Cheong Kweng Mines Ltd* [1964] AC 993,; [1964] MLJ 49, 'necessarily and with precision' determine the point in issue, and he was asked to indicate to the court how the earlier judgment did necessarily and with precision determine the liability of the appellants to pay the respondent for work done for them at their request. He did not do so. We do not, with respect, see how he could succeed.

[43] The issue of res judicata was made clear by Peh Swee Chin, FCJ in the Supreme Court of *Asia Commercial Finance (M) Bhd v Kawal Teliti Sdn Bhd* [1995] 3 MLJ 189:

> What is res judicata? It simply means a matter adjudged, and its significance lies in its effect of creating an estoppel per rem judicatum. When a matter between two parties has been adjudicated by a court of competent jurisdiction, the parties and their privies are not permitted to litigate once more the res judicata, because the judgment becomes the truth between such parties, or in other words, the parties should accept it as the truth; res judicata pro veritate accipitur. The public policy of the law is that, it is in the public interest that there should be finality in litigation — interest rei publicae ut sit finis litium. It is only just that no one ought to be vexed twice for the same cause of action — *nemo debet bis vexari pro eadem causa*. Both maxims are the rationales for the doctrine of res judicata, but the earlier maxim has the further elevated status of a question of public policy.
>
> Since a res judicata creates an estoppel per rem judicatum, the doctrine of res judicata is really the doctrine of estoppel *per rem judicatum*, the latter being described sometimes in a rather archaic way as estoppel by record. Since the two

doctrines are the same, it is no longer of any practical importance to say the res judicata is a rule of procedure and that an estoppel *per rem judicatum* is that of evidence. Such dichotomy is apt to give rise to confusion.

The starting point ought to be the celebrated passage by Wigram VC in the case of *Henderson v Henderson* (1843) 3 Hare 100 at p 115 which is:

> The plea of res judicata applies, except in special cases, not only to points upon which the court was actually required by the parties to form an opinion and pronounce a judgment, but to every point which properly belonged to the subject of litigation and which the parties, exercising reasonable diligence might have brought forward at the time.

[44] In *Kerajaan Malaysia v Mat Shuhaimi bin Shafiei*, the Federal Court explained that there are in fact two kinds of estoppel per rem judicatum. The first is the cause of action estoppel and the second is issue estoppel, which is a development from the first. Explaining on the two types of estoppel, Ahmad Maarop FCJ referred to the Federal Court decision in *Asia Commercial Finance* said:

> The cause of action estoppel arises when rights or liabilities involving a particular right to take a particular action in court for a particular remedy are determined in a final judgment and such right of action, ie the cause of action, merges into the said final judgment; in layman's language, the cause of action has turned into the said final judgment. The said cause of action may not be relitigated between the same parties because it is res judicata.
>
> In order to prevent multiplicity of action and also in order to protect the underlying rationales of estoppel per rem judicatum and not to act against them, such estoppel of cause of action has been extended to all other causes of action (based on the same facts or issues) which should have been litigated or asserted in the original earlier action resulting in the final judgment, and which were not, either deliberately or due to inadvertence. ... On the other hand, the issue estoppel literally means simply an issue which a party is estopped from raising in a subsequent proceeding. However, the issue estoppel, in a nutshell, from a consideration of case law, means in law a lot more, ie that neither of the same parties or their privies in a subsequent proceeding is entitled to challenge the correctness of the decision of a previous final judgment in which they, or their privies, were parties. This sounds like explaining a truism, but it is the corollary from that statement that is all important and that could have given birth to the controversies alluded to above; the corollary being that neither of such parties will be allowed to adduce evidence or advance any argument to contradict such decision. In this respect, we respectfully agree with Peter Gibson J in *Lawlor v Gray* [1984] 3 All ER 345 at p 350, who said: 'Issue estoppel ... prevents contradiction of a previous determination, whereas cause of action estoppel prevents reassertion of the cause of action'.
>
> It is important to bear in mind the manner in which the issue estoppel operates in preventing such contradiction of the previous judgment ... There is one school of thought that issue estoppel applies only to issues actually decided by the court in the previous proceedings and not to issues which might have been and which were not

brought forward, either deliberately or due to negligence or inadvertence, while another school of thought holds the contrary view that such issues which might have been and which were not brought forward as described, though not actually decided by the court, are still covered by the doctrine of res judicata, ie doctrine of estoppel per rem judicatum.

We are of the opinion that the aforesaid contrary view is to be preferred; it represents for one thing, a correct even though broader approach to the scope of issue estoppel. It is warranted by the weight of authorities to be illustrated later. It is completely in accord or resonant with the rationales behind the doctrine of res judicata, in other words, with the doctrine of estoppel per rem judicatum. It is particularly important to bear in mind the question of the public policy that there should be finality in litigation in conjunction with the exploding population; the increasing sophistication of the populace with the law and with the expanding resources of the courts being found always one step behind the resulting increase in litigation.

[45] In *Syarikat Sebati Sdn Bhd*, the Federal Court had to consider whether the finding of the Court of Appeal that there was no valid and binding logging contract between the plaintiff and the defendants was caught by the doctrine of res judicata. Referring to *Spencer Bower and Turner Res Judicata, 3rd Ed (1996)*, the Federal Court said:

(i) the decision was judicial in the relevant sense;

(ii) it was in fact pronounced;

(iii) the tribunal had jurisdiction over the parties and the subject matter;

(iv) the decision was — (a) final, and (b) on the merits;

(v) it determined the same questions as that raised in the latter question; and

(vi) the parties to the latter litigation were either parties to the earlier litigation or their privies or the earlier decision was in rem.

[35] Where an express declaration as to any particular question or issue appears on the face of the record of a formal judgment or where from the judgment itself the actual grounds of the decision can be clearly ascertained, there is no necessity for further search.

[37] In view of His Lordship's unequivocal finding on this issue, there is no doubt in our minds that the findings of the Court of Appeal on the issue is caught by the doctrine of res judicata and therefore is unsustainable.

[46] The learned authors further stated that the determination must not be collateral to the decision and for this one has to look at the formal judgment or order. Where an express declaration as to any particular question or issue appears on the face of the record of a formal judgment or where from the judgment itself the actual grounds of the decision can be clearly ascertained, there is no necessity for further search.

A **[47]** It must be noted that the cause of action in estoppel is founded upon the principle that there must be finality to litigation. It applies to the issue raised and also to matters decided in the earlier proceedings. But it only applies when the cause of action or the subject matter of the disputes in the earlier proceeding is similar to that in the later proceedings.

B

[48] The subject matter of the dispute in the proceedings before this court can be ascertained from the pleadings. As we have said earlier, the plaintiff in this case applied to expunge the defendant's registered trademarks primarily on the ground that the Chinese Characters 'Huan Zhan Jin' (還債金) are
C common descriptive words and therefore the defendant's registration trade marks ought to be removed since it is wrong in law to register and is contrary to s 10(1)(c), (1)(d) and (1)(e) of the TMA.

D **[49]** What was the cause of action in the previous proceedings. The defendant in this case (the plaintiff in the previous proceedings) alleged infringement of its registered trademarks of 'Huan Zhan Jin' (還債金) on the plaintiff's Chinese praying materials. It is very clear that the subject matter of the dispute in the prior suit also relates to the issue of whether the three
E Chinese Characters 'Huan Zhan Jin' (還債金) are common descriptive words.

[50] Essentially, we are of the view that the factual issue which has to be resolved in the present case and the Prior Suit is whether the three Chinese characters 'Huan Zhan Jin' (還債金) are common descriptive words.

F

[51] At this juncture, it is important to examine the basis upon which the learned judicial commissioner in this present case reached the conclusion on the issue of whether the Chinese Characters 'Huan Zhan Jin' (還債金) are common descriptive words in the Chinese language:

G

'Accordingly, the first and second plaintiffs cannot rely on ss 10(1)(c) to (e) and 19(1)(b) TMA to invalidate the first defendant's registered trademarks in this case. The first and second Plaintiffs cannot therefore contend that the Chinese
H characters, 'Huan Zhan Jin' (還債金), are common descriptive terms under s 10(1)(c), (d) and (e) of the TMA. In any event, I am of the view that the Chinese characters, (還債金), are not common descriptive terms in Chinese language. This is because, as admitted by SP4 and SP5, the Chinese dictionary does not provide a meaning for the combined use of all these three Chinese characters'.

I

[52] As we have stated earlier, this issue has been decided by this court in the previous proceedings. Once the issue has been decided, the parties cannot reopen it. To allow, the parties to do so would risk conflicting decisions on the issue, which is what the principle of res judicata is trying to prevent.

[53] To our mind, it is clear that this court in the previous proceedings had considered the issue of whether the three Chinese Characters 'Huan Zhan Jin'(還債金) is an invalid common descriptive word and it is not an inventive word as contended by the defendant.

[54] With due respect to the learned judicial commissioner, it is plainly wrong for him in this present case to decide on the issue of whether the three Chinese Characters 'Huan Zhan Jin' (還債金) are not common Chinese Characters in the Chinese Language when he acknowledged that the Court of Appeal in the prior suit had dismissed the defendant's claim for infringement of the defendant's registered trademarks on the ground that the words 'Huan Zhan Jin' (還債金) used by plaintiffs in this case is common descriptive words.

[55] In our view, this is a proper case for appellate intervention and since the three Chinese characters 'Huan Zhan Jin' (還債金) are common generic descriptive words and therefore the defendant cannot have monopoly over the use of the words and the defendant cannot register the same as a trade mark and this appeal must be allowed so that the defendant's registered trademark can be rectified and expunged.

CONCLUSION

[56] Based on the above reasons, the third plaintiff's appeal is dismissed. The first and second plaintiff's appeal is allowed. We ordered each party to bear their own costs.

Third plaintiff's appeal dismissed; first and second plaintiffs; appeal allowed.

Reported by Ahmad Ismail Illman Mohd Razali